

State Budget Committee

Michael Smith, Commissioner
Joe Gustin, Chief Financial Officer

Indiana Department of Transportation

December 16, 2024

INDOT 2025 Agency Goals

Excellence in Core Service Delivery

- Deliver on 20-Year Plan Commitments
 - Prioritize taking care of what we have.
 - Finish major projects.
 - Maximize federal and state funding opportunities.
 - Build and maintain a safe transportation network for all users and workers.
- Commit to Process Adherence Excellence
 - Follow processes and procedures.
 - Deliver core services effectively and efficiently.
 - Build on our commitment to great government service.

Plan for the Future

- Enhance Sustainability, Resiliency, Access and Innovation in Our Transportation Network
 - Develop comprehensive plans for each of these areas.
 - Integrate these concepts into planning and decision making.
- Support Economic Development, Quality of Life, and Talent Attraction and Retention
 - Leverage transportation to strengthen communities, develop Indiana's economy, and grow the state's workforce.

Focus on Safety

- Make traffic and mobility improvements that foster a 25% reduction in serious crashes (fatalities, incapacitating injuries) over the next 10 years.

Enhance Internal Services

- Embrace Collaboration and Intra-agency Partnership
 - Continue breaking down silos.
 - Work together to achieve success.
- Optimize Internal Customer Service
 - Take care of team members in order to serve our customers.
 - Ensure team members have the support, tools and resources to get the job done.
- Advance Our 21st Century Workforce
 - Continue to prioritize training, communication and programming to develop, attract and retain talented team members.

Intentional Partnership

- Build and Strengthen Relationships
 - Cultivate and maintain great relationships with external partners to drive success.
- Emphasize Strategic Communication, Collaboration and Outreach
 - Practice meaningful, two-way communication.
 - Collaborate with purpose for the benefit of partners and INDOT.

Indiana - A Leader in Infrastructure

Indiana: Top 10 in
the Nation for Infrastructure over the Past 8 Years

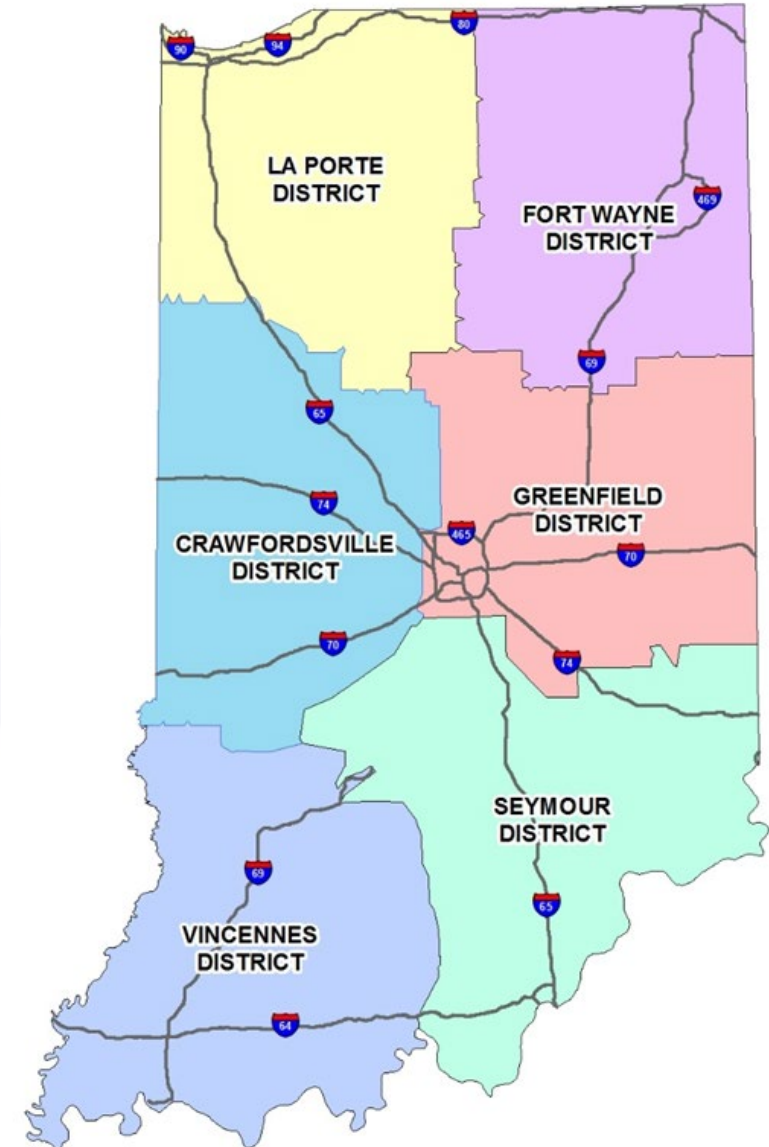
CNBC America's
Top States for Business Rankings



AMERICA'S TOP STATES FOR BUSINESS

INDOT At-A-Glance

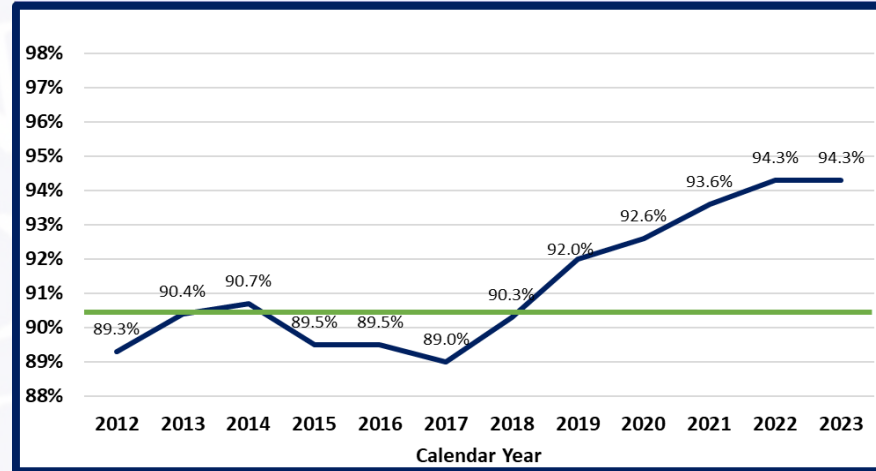
- Six district offices and a central office
- 3,625 employees (Nov. 2024)
- \$3.83 billion FY2024 obligations
 - \$2.23 billion annual state capital expenditures
 - \$633.8 million annual operating budget
 - \$934 million in additional local capital program, multimodal, and debt service
- 29,786 total roadway lane miles
- 5,728 INDOT-owned and maintained bridges



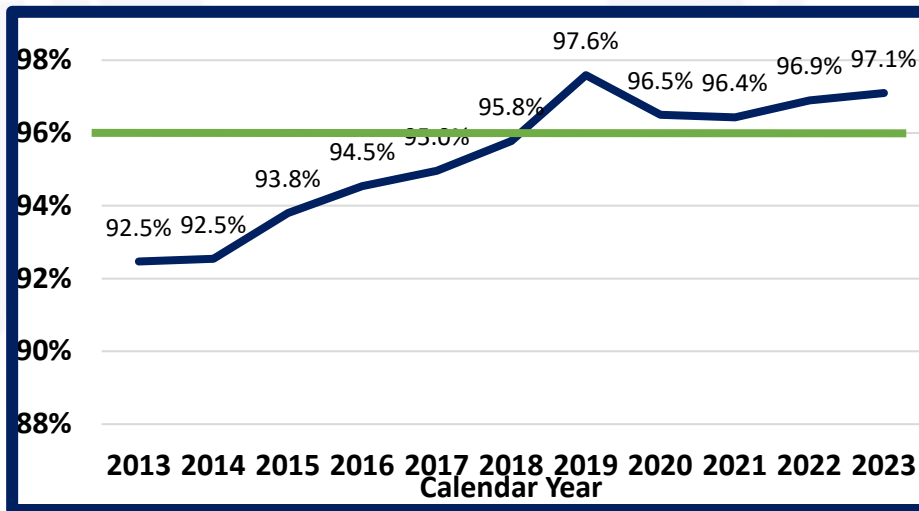
Maintenance and Preservation

- INDOT has invested approximately \$14.57 billion from 2018-2024.
- Following our road construction plan, INDOT has resurfaced more than 18,220 lane miles of pavement, representing more than 50% of the total INDOT inventory, and repaired or replaced over 4,500 bridges, nearly 79% of the total number of bridges on state-maintained roads, through FY 2024.
- At the end of CY 2023, data showed:
 - 94.3% of all state-maintained roads in fair or better condition
 - 97.1% of all state-maintained bridges in fair or better condition

State-Controlled Roads in Fair or Better Condition



Well-Maintained Bridges



Capital Program Investment

- During the past two years, INDOT invested the following in state and local projects:
 - \$5.47 billion in state projects for the construction and rehabilitation of Indiana highways and bridges.
 - Completed or started 340 projects to add lanes, replace, or preserve more than 3,322 lane miles of INDOT roadways (out of more than 29,000 total lane miles).
 - Built, rehabilitated, replaced, or maintained 868 bridges out of more than 5,700 bridges on Indiana interstates, U.S. highways, or state roads.
 - \$1.4 billion in local projects to build, replace, or repair local roads and bridges.
 - Built, rehabilitated, replaced, or maintained 88 local bridges.



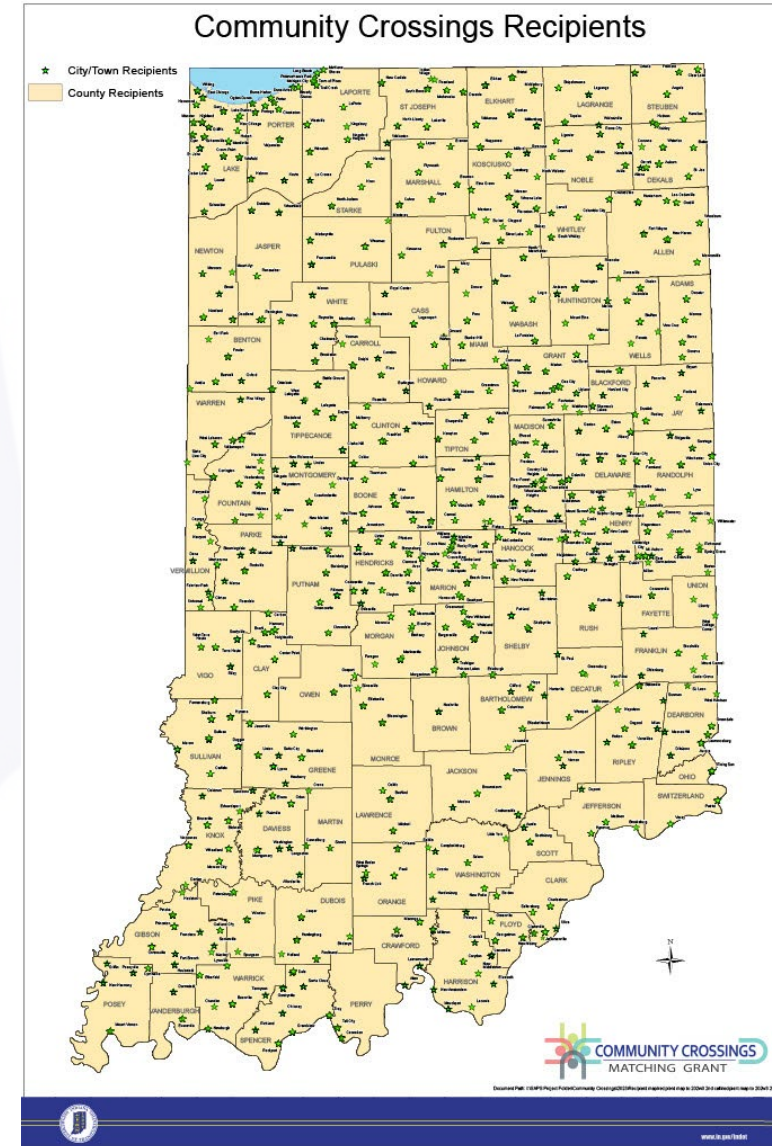
Major Projects and Studies



Local Projects - Community Crossings

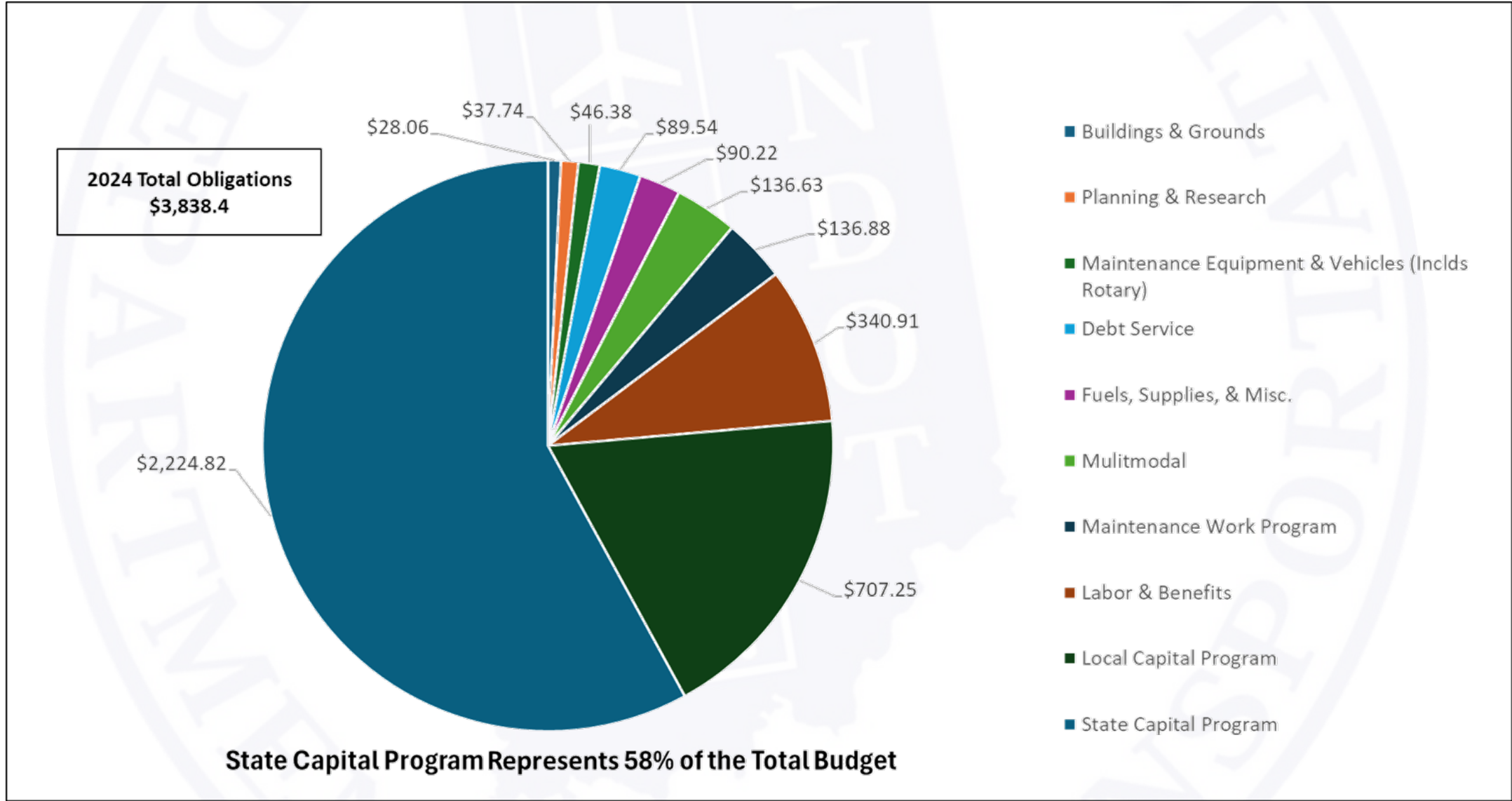
Since 2016, \$1.83 billion in state funds have been awarded to local communities.

- **2024 Awards**
 - \$347 million to 475 separate communities for 4,578 road and bridge projects.
 - Award cap increased to \$1.5 million
- **2023 Awards**
 - \$225 million to 417 separate communities for 3,304 road and bridge projects
- **2016-2022 Awards**
 - \$1.27 billion to 2,765 separate communities for 20,819 road and bridge projects

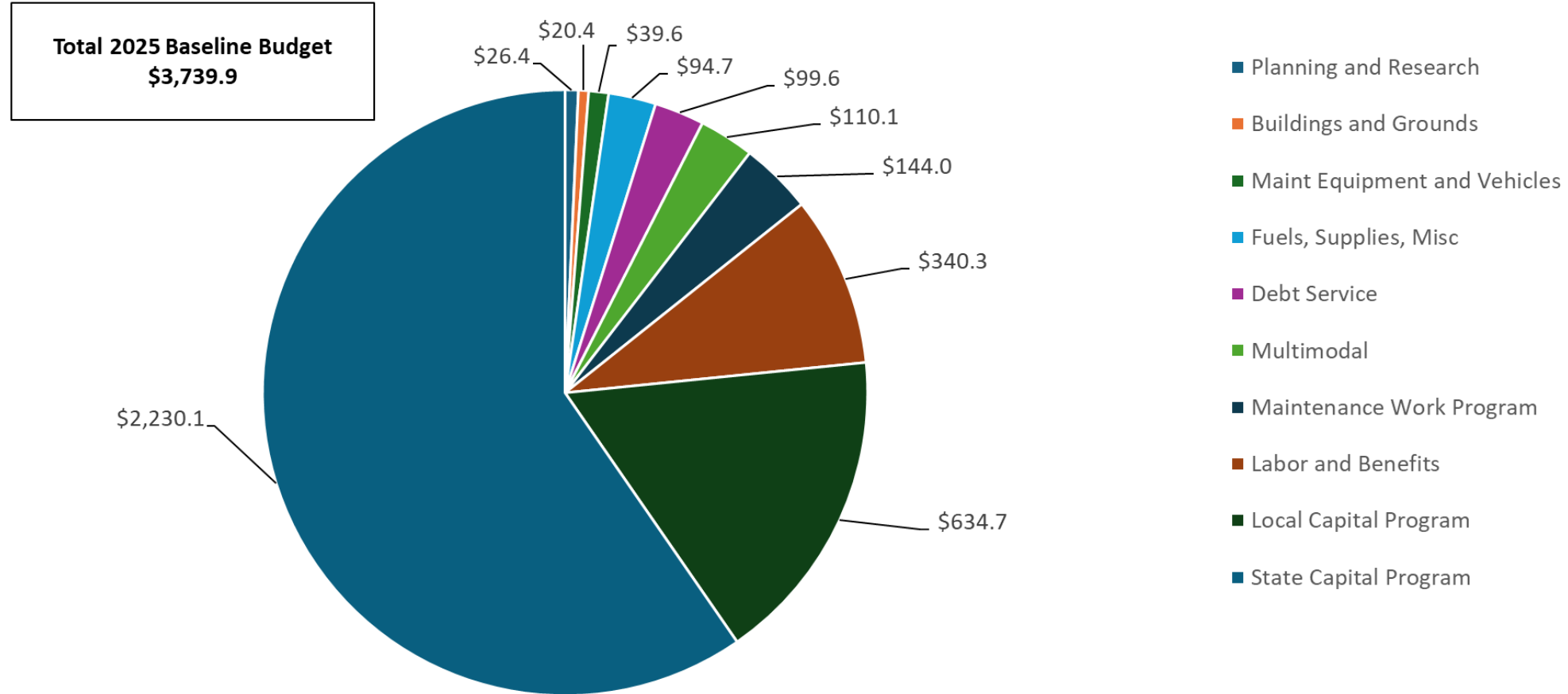


INDOT Biennium Budget Summary

INDOT 2024 Actual Obligations

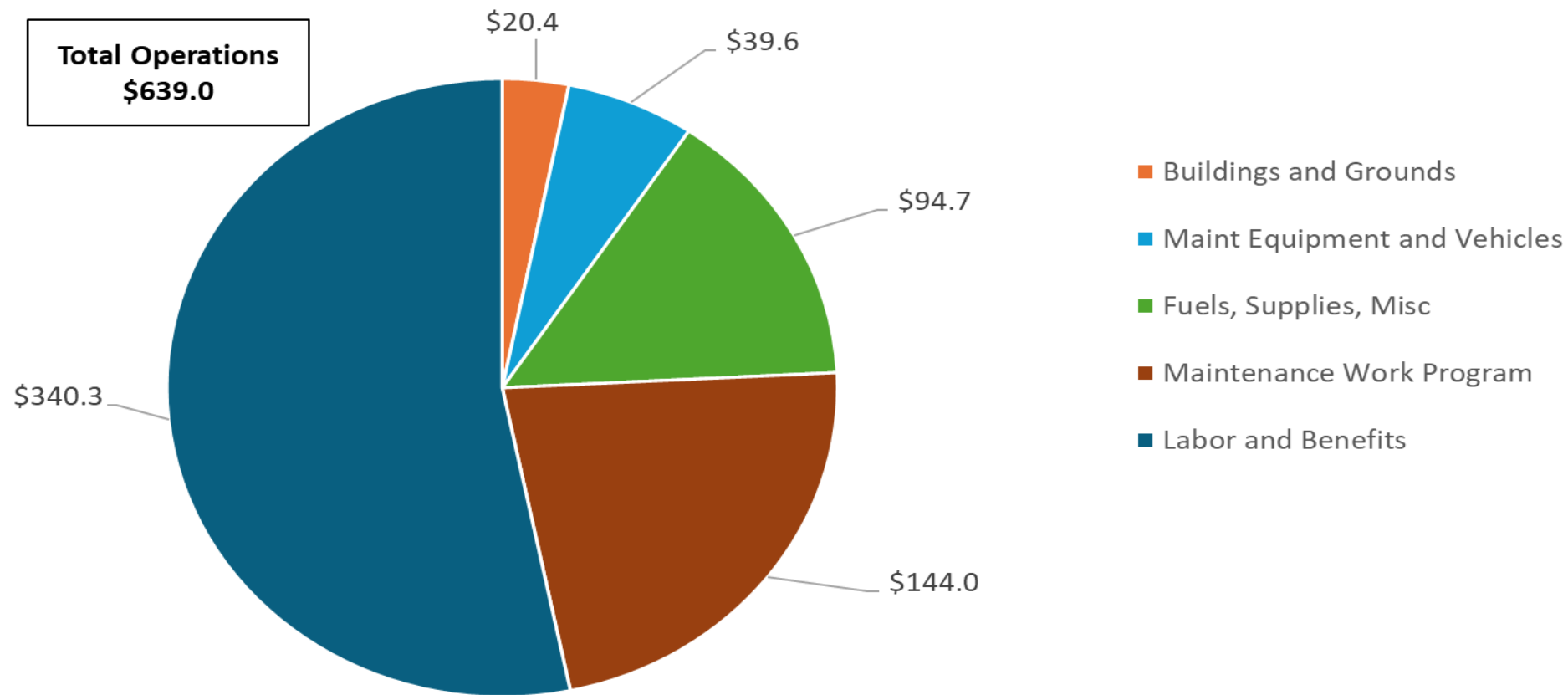


INDOT Overall Agency Budget – FY25 Baseline



State Capital Program Represents 59.6% of the Total Budget

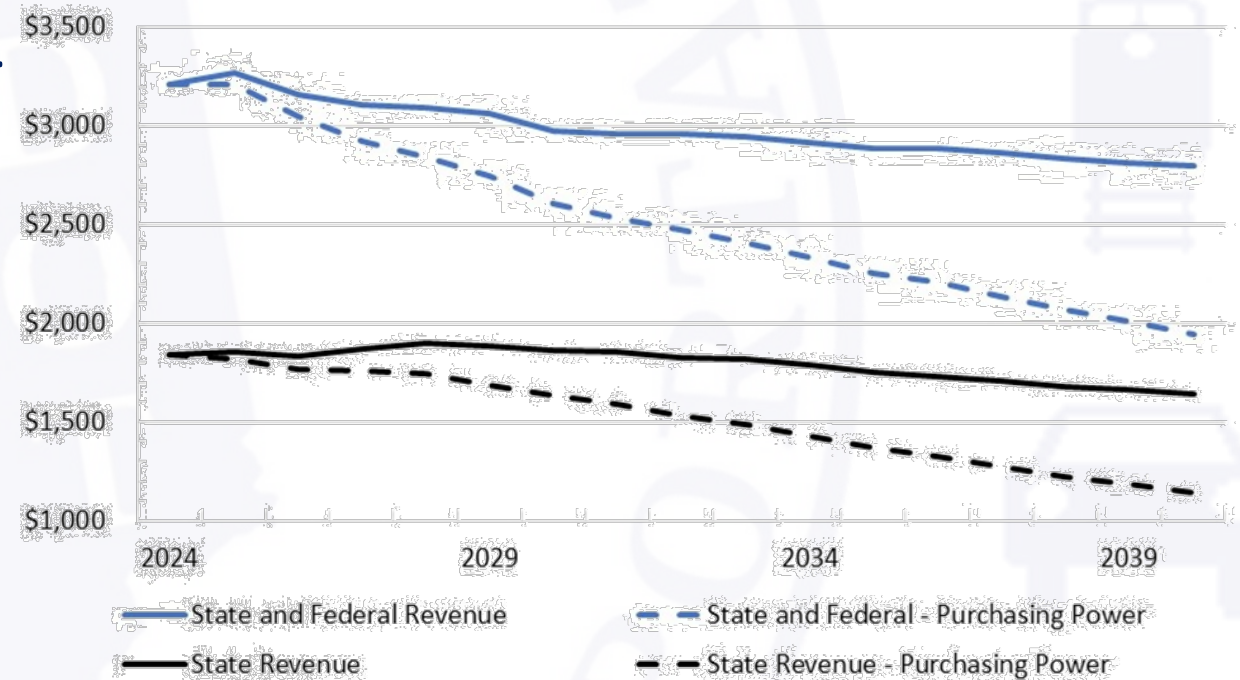
INDOT Operational Budget – FY25 Baseline



Labor and Benefits represent 53.9% of the total Operational Budget

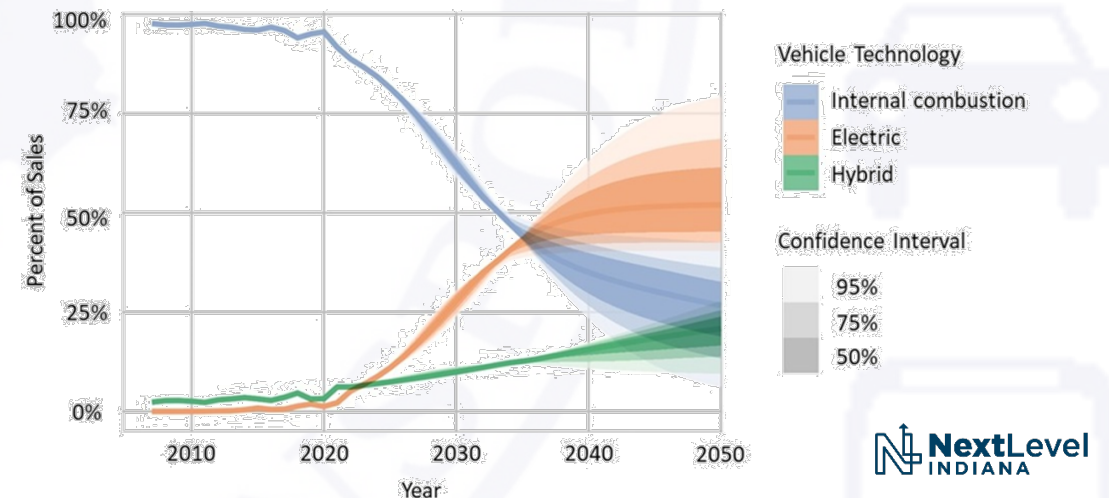
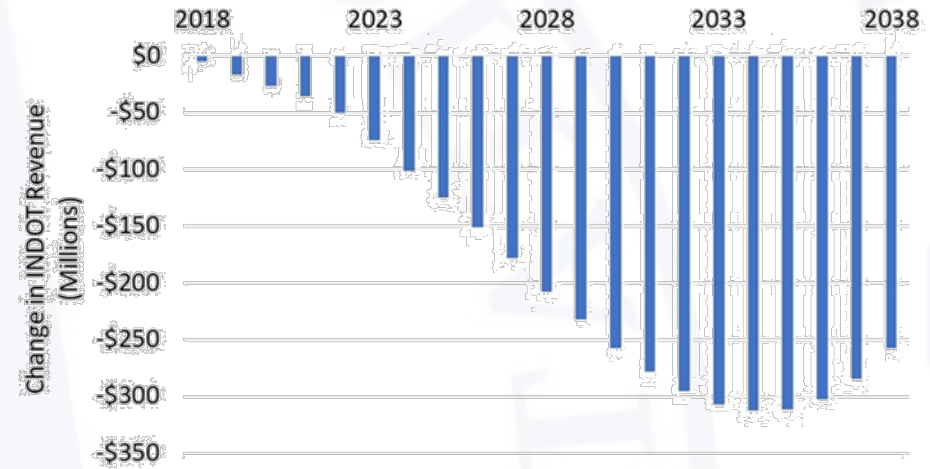
Future Challenge - Erosion of Transportation Funding

- INDOT Purchasing Power
 - INDOT expects state transportation revenue and its purchasing power to decrease steadily over the next 25 years.
 - Each year, because of inflation, INDOT can buy less with a dollar than it can today. Therefore, additional revenue would be needed every year to maintain the current purchasing power.
 - For example, INDOT projects revenue from state sources in FY2035 will be about \$1.75 billion. However, due to the compounding effects of inflation, INDOT will only be able to purchase the equivalent of \$1.37 billion in today's dollars.



Future Challenge - Erosion of Transportation Funding

- In addition to inflation, INDOT is also expecting a drop in fuel tax-based revenue due to fuel efficiency, and EV/Hybrid adoption:
 - Based on current CAFE standards and other market forces, the average fuel efficiency of light duty vehicles in Indiana has improved by about 15% since 2017.
 - The number of electric and hybrid vehicles in the US is expected to increase over the next 25 years. However, there is significant debate about the timing and extent of the increase.



Thank You!